

SUMMIT CHRISTIAN COLLEGE  
FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022



**DANA F. COLE  
& COMPANY<sup>LLP</sup>**  
CERTIFIED PUBLIC ACCOUNTANTS

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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Summit Christian College  
Gering, Nebraska

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Summit Christian College (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Summit Christian College as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Summit Christian College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Summit Christian College's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Summit Christian College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Summit Christian College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Composite Score Supplemental Schedule is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the composite score supplemental schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2023, on our consideration of Summit Christian College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Summit Christian College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Summit Christian College's internal control over financial reporting and compliance.

Dana F Cole + Company, LLP

Scottsbluff, Nebraska  
September 21, 2023

SUMMIT CHRISTIAN COLLEGE  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2023 AND 2022

ASSETS	2023	2022
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	41,971	17,741
Accounts receivable	9,874	6,290
Deposits receivable	1,150	1,150
Prepaid expenses	4,177	3,991
Total current assets	57,172	29,172
 <b>PROPERTY AND EQUIPMENT</b>		
Land	21,250	21,250
Buildings and improvements	613,198	613,198
Furniture and fixtures	60,697	60,697
Equipment	87,751	87,751
Vehicles	46,253	46,253
Library	301,377	301,377
Total property and equipment	1,130,526	1,130,526
Less accumulated depreciation	(345,277)	(321,821)
Total property and equipment net of depreciation	785,249	808,705
 <b>OTHER ASSETS</b>		
Investments	120,134	150,783
 <b>TOTAL ASSETS</b>	 962,555	 988,660

See accompanying notes to financial statements.

SUMMIT CHRISTIAN COLLEGE  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2023 AND 2022

LIABILITIES AND NET ASSETS

	2023	2022
<b>CURRENT LIABILITIES</b>		
Accounts payable	15,197	7,554
Accrued expenses	11,517	9,519
Other current liabilities	5,138	3,538
Current portion of long-term liabilities	<u>11,285</u>	<u>10,638</u>
Total current liabilities	<u>43,137</u>	<u>31,249</u>
<b>LONG-TERM LIABILITIES</b>		
Notes payable (net of current maturities)	<u>107,073</u>	<u>117,926</u>
<b>TOTAL LIABILITIES</b>	<u>150,210</u>	<u>149,175</u>
<b>NET ASSETS</b>		
Net assets without donor restrictions		
Board-designated	1,313	1,313
Undesignated	685,444	682,560
Net assets with donor restrictions		
Restricted by purpose or time	5,454	9,828
Restricted in perpetuity	<u>120,134</u>	<u>145,784</u>
Total net assets	<u>812,345</u>	<u>839,485</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>962,555</u>	<u>988,660</u>

SUMMIT CHRISTIAN COLLEGE  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE AND SUPPORT		
Student revenues		
Tuition and fees	149,244	108,915
Room and board	26,310	26,075
Less student aid	<u>(35,568)</u>	<u>(28,158)</u>
Total student revenues	<u>139,986</u>	<u>106,832</u>
Other revenues		
Private contributions	462,298	439,995
Fundraising events	145,144	138,314
Miscellaneous income	12,081	23,033
Investment income	<u>4,923</u>	<u>2,030</u>
Total other revenues	<u>624,446</u>	<u>603,372</u>
Net assets released from restrictions	<u>32,999</u>	<u>8,186</u>
Total revenue and support	<u>797,431</u>	<u>718,390</u>
EXPENSE		
Program services		
Instruction	183,255	156,569
Academic support	25,107	28,826
Student services	29,384	24,824
Auxiliary expense	<u>6,561</u>	<u>9,190</u>
Total program services	<u>244,307</u>	<u>219,409</u>
Other expense		
Management and general	385,255	401,502
Fundraising	132,704	125,722
Depreciation	23,456	34,203
Interest expense	<u>8,827</u>	<u>8,152</u>
Total other expense	<u>550,242</u>	<u>569,579</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>2,882</u>	<u>(70,598)</u>

SUMMIT CHRISTIAN COLLEGE  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	2,350	9,340
Investment income	627	3,043
Net assets released from restrictions	<u>(32,999)</u>	<u>(8,186)</u>
 CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	 <u>(30,022)</u>	 <u>4,197</u>
 TOTAL CHANGE IN NET ASSETS	 (27,140)	 (66,401)
 NET ASSETS, beginning of year	 <u>839,485</u>	 <u>905,886</u>
 NET ASSETS, end of year	 <u><u>812,345</u></u>	 <u><u>839,485</u></u>

See accompanying notes to financial statements.

SUMMIT CHRISTIAN COLLEGE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023

	Instruction	Academic Support	Student Services	Auxiliary Expense	Management and General	Fundraising	Total
Personnel expense	172,526	13,312	14,508	4,655	210,299	74,220	489,520
Education and training	695	4,618			870		6,183
Purchased services		6,360	7,720		105,967		120,047
Advertising and promotion					9,106	1,417	10,523
Supplies and materials	21	544			8,829		9,394
Activities and events			7,156		7,326	52,052	66,534
Repairs and maintenance				1,906	13,644	343	15,893
Other expense	<u>10,013</u>	<u>273</u>	<u>_____</u>	<u>_____</u>	<u>29,214</u>	<u>4,672</u>	<u>44,172</u>
	<u>183,255</u>	<u>25,107</u>	<u>29,384</u>	<u>6,561</u>	<u>385,255</u>	<u>132,704</u>	<u>762,266</u>

See accompanying notes to financial statements.

SUMMIT CHRISTIAN COLLEGE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2022

	Instruction	Academic Support	Student Services	Auxiliary Expense	Management and General	Fundraising	Total
Personnel expense	143,056	18,610	13,904	5,006	225,275	81,387	487,238
Education and training	719	2,754			150		3,623
Purchased services	1,797	5,916	7,608		95,575		110,896
Advertising and promotion					11,148	606	11,754
Supplies and materials	52	453			13,163		13,668
Activities and events			3,312		9,907	36,346	49,565
Repairs and maintenance				4,184	34,242	2,075	40,501
Other expense	<u>10,945</u>	<u>1,093</u>	<u>          </u>	<u>          </u>	<u>12,042</u>	<u>5,308</u>	<u>29,388</u>
	<u>156,569</u>	<u>28,826</u>	<u>24,824</u>	<u>9,190</u>	<u>401,502</u>	<u>125,722</u>	<u>746,633</u>

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See accompanying notes to financial statements.

SUMMIT CHRISTIAN COLLEGE  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	<u>(27,140)</u>	<u>(66,401)</u>
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	23,456	34,203
Permanently restricted contributions	(9,340)	(9,340)
(Increase) decrease in:		
Accounts receivable	(3,584)	(1,292)
Contributions receivable		4,600
Prepaid expense	(186)	(766)
Increase (decrease) in:		
Accounts payable	7,643	(5,800)
Accrued expenses	1,998	79
Other current liabilities	1,600	(1,005)
Unearned grant revenue		<u>(80,323)</u>
Total adjustments	<u>21,587</u>	<u>(59,644)</u>
Net cash used in operating activities	<u>(5,553)</u>	<u>(126,045)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash paid for the purchase of property and equipment		(5,500)
Cash paid for investments	<u>30,649</u>	<u>(9,755)</u>
Net cash provided by (used in) investing activities	<u>30,649</u>	<u>(15,255)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Permanently restricted contributions	9,340	9,340
Cash paid on long-term debt	<u>(10,206)</u>	<u>(10,063)</u>
Net cash used in financing activities	<u>(866)</u>	<u>(723)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	24,230	(142,023)
CASH AND CASH EQUIVALENTS, beginning of year	<u>17,741</u>	<u>159,764</u>
CASH AND CASH EQUIVALENTS, end of year	<u>41,971</u>	<u>17,741</u>
<b>SUPPLEMENTARY INFORMATION</b>		
Cash paid for interest expense	<u>8,827</u>	<u>8,152</u>

See accompanying notes to financial statements.

SUMMIT CHRISTIAN COLLEGE  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Summit Christian College (the College) was founded in March 1951, and is a 4-year institution providing spiritual education. The general purpose of the College is to conduct education and evangelistic and benevolent work. The College is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes.

Financial Statement Presentation

The financial statements report amounts by class of net assets, as required by Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve, as well as net assets for annuity reserves, donor-advised funds, or invested in property and equipment.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported in the statements of activities as net assets released from restrictions.

Basis of Accounting

The College uses the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Contributions

The College utilizes Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605, *Not-for-Profit Entities Revenue Recognition*. This standard requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the College to distinguish the asset category in accordance with

SUMMIT CHRISTIAN COLLEGE  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions (Continued)

donor-imposed restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributed Materials and Services

The College records various types of in-kind contributions. Contributed services are recognized at fair market value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

Volunteers

Many individuals volunteer their time and perform a variety of tasks that assist the College with their operations. Management estimates that it receives the equivalent in volunteer hours of two full time workers. The volunteer hours have not been recorded in the financial statements since those services do not meet the criteria for recognition.

Investments

The College has adopted FASB ASC 958-320, *Not-for-Profit Entities, Investments - Debt and Equity Securities*. FASB ASC 958-320 establishes standards of reporting at fair value certain investments and debt and equity securities, held by not-for-profit organizations.

Therefore, investments in equity securities that have a readily determinable fair value and all investments in debt securities are stated at fair value, with gains and losses included in the statements of activities. Fair value is determined by quoted market values. Investments in certificates of deposit are recorded at cost, which approximates fair value.

Accounts and Notes Receivable

The College extends unsecured credit to its students in the ordinary course of business but mitigates the associated credit risk by actively pursuing past-due accounts. Accounts receivable includes amounts due from students for tuition, room, and board. Uncollectible accounts receivable is expected to be insignificant. As such, no provision for doubtful accounts has been recorded.

SUMMIT CHRISTIAN COLLEGE  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventory values are insignificant. As such, inventory is recorded as an expense when purchased.

Property and Equipment

Property and equipment are stated at cost, if purchased or fair value, if donated. Major expenditures for property and those which substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

The College capitalizes and depreciates property and equipment acquired at recognized cost or the fair market value amount of \$2,500 or more.

Depreciation

Depreciation on property and equipment is recorded on a straight-line basis over the following useful lives:

Buildings and improvements	10 - 50 years
Furniture and fixtures	5 - 15 years
Equipment	3 - 10 years
Vehicles	3 - 8 years

Income Taxes

The College is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the College's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the College qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The College utilizes the provisions of FASB ASC 740-10, *Accounting for Uncertain Tax Positions*. The College continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the College considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase. Excluded from this definition of cash equivalents are such amounts that represent funds that have been designated by the Board of Directors for investment.

SUMMIT CHRISTIAN COLLEGE  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Compensated Absences

Employees of the College are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. Compensated absences are recognized in the year earned.

Functional Expenses Cost Allocation

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy costs and depreciation, which are allocated on a square footage basis; and supplies and telephone costs, which are allocated based on usage studies conducted annually.

Advertising

Advertising costs of the College are expensed as incurred. For the years ended June 30, 2023 and 2022, advertising costs were \$10,523 and \$11,754, respectively.

NOTE 2. CASH AND INVESTMENTS

For the following disclosures, deposits; including checking accounts, savings accounts, money market accounts, and certificates of deposit; are all classified as cash or cash and cash equivalents on the financial statements.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. As of June 30, 2023, all of the College's deposits with financial institutions were fully insured.

SUMMIT CHRISTIAN COLLEGE  
NOTES TO FINANCIAL STATEMENTS

NOTE 3. INVESTMENTS

Investments consist of certificates of deposit. These investments are carried at cost.

Investments consist of the following at June 30, 2023 and 2022:

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Investment in certificates of deposit	<u>150,783</u>	<u>150,783</u>	<u>141,028</u>	<u>141,028</u>

NOTE 4. LONG-TERM DEBT

On September 15, 2011, the College entered into a mortgage loan agreement for \$320,000 with First State Bank on the purchase of the new College building. The note was rewritten February 15, 2013, and July 24, 2015. The mortgage bears interest at 6.0% and requires monthly payments of principal and interest of approximately \$1,511 through September 15, 2031. The mortgage is secured by a deed of trust on the College's real estate. The balance of this loan as of June 30, 2023 and 2022, was \$118,358 and \$128,564, respectively.

The following is a summary of changes in long-term debt for the years ended June 30, 2023 and 2022.

	Beginning Balance	Additions	Repayments	Ending Balance
For the year ended June 30, 2023				
Note payable	<u>128,564</u>	<u>          </u>	<u>(10,206)</u>	<u>118,358</u>
For the year ended June 30, 2022				
Note payable	<u>138,627</u>	<u>          </u>	<u>(10,063)</u>	<u>128,564</u>

Future scheduled maturities of long-term debt are as follows:

Years Ended June 30,	Principal	Interest
2024	11,285	6,847
2025	12,010	6,122
2026	12,761	5,371
2027	13,559	4,573
2028	14,398	3,734
2029 - 2032	<u>54,345</u>	<u>5,586</u>
Total	<u>118,358</u>	<u>32,233</u>

The total amount of interest expense for the years ended June 30, 2023 and 2022, was \$8,827 and \$8,152, respectively.

SUMMIT CHRISTIAN COLLEGE  
NOTES TO FINANCIAL STATEMENTS

NOTE 5. OTHER LIABILITIES

Other liabilities consist of amounts payable to students for tuition, deposits, and other items.

NOTE 6. BOARD-DESIGNATED NET ASSETS

Designated Net Assets

The College has designated amounts for intended future use. Net assets at June 30, 2023 and 2022, were designated for the following purposes:

	2023	2022
Scholarships	<u>1,313</u>	<u>1,313</u>

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS

Restricted by Purpose or Time

The College has received donations for various College purposes, in which the use is prescribed by the donor, for which the conditions or use have not yet been satisfied. Net assets at June 30, 2023 and 2022, were temporarily restricted for the following purposes:

	2023	2022
Dormitory improvements	1,453	6,453
Scholarships	<u>4,001</u>	<u>3,375</u>
	<u>5,454</u>	<u>9,828</u>

Restricted in Perpetuity

The College has received donations for the various College purposes in which the use of the principal contribution is permanently restricted and earnings may be unrestricted or temporarily restricted for a specified use. Net assets at June 30, 2023 and 2022, for permanently restricted principal balances and which earnings may be utilized for the following purposes:

	2023	2022
Scholarships	<u>120,134</u>	<u>145,784</u>

NOTE 8. CONCENTRATION OF CREDIT RISK

Accounts receivable potentially subject the College to concentrations of credit risk and consist primarily with several students. The College generally does not require collateral from its students. Such credit risk is considered by management to be limited due to the College's broad student base.

SUMMIT CHRISTIAN COLLEGE  
NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN

The College participates in the Christian Church Pension Plan (the Plan) to provide benefits for all full-time faculty staff that choose to become part of the Plan. The College will make an annual contribution of \$375 to the Plan for each participating employee. Pension expense was \$750 and \$750 for the years ended June 30, 2023 and 2022, respectively.

NOTE 10. ENDOWMENT FUNDS

The College's endowment consists of approximately two individual funds established for scholarship purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Investments must protect the interest of the corporation in the fulfillment of its mission, purposes and objectives, and nonprofit and tax-exempt status. Investment practices must be in accordance with biblical principles.

The President is responsible for the investment of all contributions to the College. The President is responsible for the management of investments under \$100,000. The Finance Committee is responsible for the management of investments over \$100,000.

Changes in endowment net assets, are as follows:

	Beginning of Year	Investment and Contribution Income	Utilizations	End of Year
For the year ended June 30, 2023				
Net assets without donor restrictions				
Board-designated	1,313			1,313
Net assets with donor restrictions				
Restricted in perpetuity	<u>145,784</u>	<u>2,350</u>	<u>(28,000)</u>	<u>120,134</u>
Total endowment net assets	<u>147,097</u>	<u>2,350</u>	<u>(28,000)</u>	<u>121,447</u>
For the year ended June 30, 2022				
Net assets without donor restrictions				
Board-designated	1,313			1,313
Net assets with donor restrictions				
Restricted in perpetuity	<u>145,784</u>	_____	_____	<u>145,784</u>
Total endowment net assets	<u>147,097</u>	_____	_____	<u>147,097</u>

SUMMIT CHRISTIAN COLLEGE  
NOTES TO FINANCIAL STATEMENTS

NOTE 11. LIQUIDITY AND AVAILABILITY OF RESOURCES

The College's financial assets available to meet cash needs for general expenditures within one year of June 30, 2023 and 2022, excluding financial assets not available for general use because of contractual or donor-imposed restrictions are as follows:

	2023	2022
Cash and cash equivalents	41,971	17,741
Investments, at cost	<u>1,313</u>	<u>1,313</u>
 Financial assets available to meet cash needs for general expenditures within on year	 <u>43,284</u>	 <u>19,054</u>

As part of the College's liquidity management, the College has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the College invests cash in excess of daily requirements in short-term investments.

NOTE 12. RELATED PARTY TRANSACTIONS

The College obtains goods and services from individuals and businesses in conducting normal operations. These goods and services are generally selected based on price and quality. Under this selection criteria, some goods and services are obtained from individuals or businesses that have a relationship to the College other than the acquisition of goods and services. The following summary transactions for goods and services are those with which the College also has another relationship.

<u>Goods or Services</u>	<u>Relationship</u>	<u>Amount</u>
Computer Services	Board Member	\$5,400

NOTE 13. SUBSEQUENT EVENT

In preparing the financial statements, the College has evaluated events and transactions for potential recognition or disclosure through September 21, 2023, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

**SUMMIT CHRISTIAN COLLEGE  
COMPOSITE SCORE SUPPLEMENTAL SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2022**

<b>Primary Reserve Ratio:</b>		<b>0.07</b>
	<b><u>Expendable Net Assets:</u></b>	
Statement of Financial Position	Net assets without donor restrictions	686,757
Statement of Financial Position	Net assets with donor restrictions	125,588
Not Applicable	Secured and unsecured related party receivable	
Not Applicable	Unsecured related party receivable	
Statement of Financial Position	Property and equipment, net (includes construction in progress)	785,249
Statement of Financial Position	Property and equipment pre-implementation	785,249
Not Applicable	Property and equipment post-implementation with outstanding debt for original purchase	
Statement of Financial Position	Property and equipment post-implementation without outstanding debt for original purchase	
Statement of Financial Position	Construction in progress	
Not Applicable	Lease right-of-use asset, net	
Not Applicable	Lease right-of-use asset, pre-implementation	
Not Applicable	Lease right-of-use asset, post-implementation	
Not Applicable	Intangible assets	
Not Applicable	Post-employment and pension liabilities	
Statement of Financial Position, Notes of the Financial	Long-term debt - for long term purposes	107,073
Not Applicable	Long-term debt - for long term purposes pre-implementation	
Not Applicable	Long-term debt - for long term purposes post-implementation	
Not Applicable	Line of credit for construction in progress	
Not Applicable	Lease right-of-use asset liability	
Not Applicable	Pre-implementation right-of-use asset liability	
Not Applicable	Post-implementation right-of-use asset liability	
Not Applicable	Annuities with donor restrictions	
Not Applicable	Term endowments with donor restrictions	
Not Applicable	Life income funds with donor restrictions	
Statement of Financial Position	Net assets with donor restrictions: restricted in perpetuity	120,134
	<b><u>Total Expenses and Losses:</u></b>	
Statement of Activities	Total expenses without donor restrictions	794,549
Statement of Activities	Net investment gains (operating and non-operating)	
Statement of Activities	Net investment gains (operating and non-operating)	
Not Applicable	Pension - related changes other than net periodic costs	
<b>Equity Ratio:</b>		<b>1.20</b>
	<b><u>Modified Net Assets:</u></b>	
Statement of Financial Position	Net assets without donor restrictions	686,757
Statement of Financial Position	Net assets with donor restrictions	125,588
Not Applicable	Intangible assets	
Not Applicable	Secured and Unsecured related party receivables	
Not Applicable	Unsecured related party receivables	
	<b><u>Modified Assets:</u></b>	
Statement of Financial Position	Total assets	962,555
Not Applicable	Lease right-of-use asset pre-implementation	
Not Applicable	Pre-implementation right-of-use asset liability	
Not Applicable	Intangible assets	
Not Applicable	Secured and unsecured related party receivables	
Not Applicable	Unsecured related party receivables	
<b>Net Income Ratio:</b>		<b>0.24</b>
Statement of Activities	<b><u>Change in Net Assets Without Donor Restrictions</u></b>	2,882
Statement of Activities	<b><u>Total Revenues and Gains</u></b>	797,431
<b>Total Composite Score</b>		<b>1.51</b>



**DANA F. COLE  
& COMPANY<sup>LLP</sup>**  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Summit Christian College  
Gering, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Summit Christian College (a nonprofit organization) which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 21, 2023.

**Reports on Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Summit Christian College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Summit Christian College's internal control. Accordingly, we do not express an opinion on the effectiveness of Summit Christian College's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Summit Christian College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Summit Christian College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Summit Christian College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dana F Cole + Company, LLP

Scottsbluff, Nebraska  
September 21, 2023

SUMMIT CHRISTIAN COLLEGE  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2023

There are no current year findings.

SUMMIT CHRISTIAN COLLEGE  
SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2023

There were no prior year findings